

120001097

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

**CODE OF VIRGINIA
§ 45.1-361.26**

BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds
(and Authorization for Direct Payment of Royalties)

JURISDICTION: *Code of Virginia* § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: VC-535686
TRACT(S): Tract 3
LOCATION: Buchanan County, Virginia

DOCKET NUMBER: VGOB-06-0117-1568-02

APPLICANTS: EQT Production Company on behalf of Marlene McCall, Donna Vest and Range Resources-Pine Mountain, Inc..

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
July 19, 2011

APPEARANCES: James Kaiser on behalf of EQT Production Company, Sharon Pigeon, Sr. Assistant Attorney General representing the Board.

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 03/13/2006, Recorded on 03/13/2006, Instrument No. 06-0000772.
2. Supplemental Order Executed 06/06/2006, Recorded on 08/16/2006, Instrument No. 060002684.
3. Disbursement Order 01 Executed 11/06/2008, Recorded on 11/12/2008, Instrument No. 080004229.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the July 19, 2011 hearing and consider whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 3 identified in the attached miscellaneous petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract 3 relative to the interests of the Applicants identified in the attached miscellaneous petition.
- (3) Continue the escrow account under this docket number.

FINDINGS: *Code of Virginia* § 45.1-361.22

Applicant has certified and represented to the Board that:

1. The owner of the coal estate for Tract 3 is Range Resources-Pine Mountain Inc. for the subject drilling unit.

2. The owners of the gas estate for Tract 3 are Marlene McCall, Donna Vest for the subject drilling unit.
3. Range Resources, by letter dated April 18, 2011 waived any claims to past or to future royalties attributable to the interests of Hurley Davis for Tract 2 as shown in Table 1.

RELIEF GRANTED:

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.
2. The Escrow Agent is ordered to Continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:

Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**

APPEALS:

Appeals of this Order are governed by the provisions of the *Code of Virginia* § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

Effective Date:

This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 17 day of April, 2012, by a majority of the Virginia Gas and Oil Board.


Bradley C. Lambert, Chairman
Virginia Gas and Oil Board

DONE AND PERFORMED this 17th day of April, 2012 BY Order of the Virginia Gas and Oil Board.

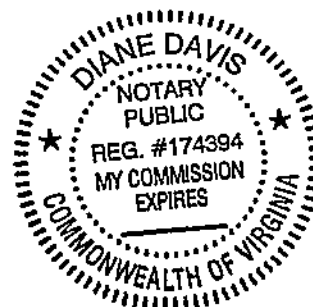

Rick Cooper, Principal Executive to the Staff
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL)

Acknowledged on this 17th day of April, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.


Diane J. Davis, Notary Public #174394

My commission expire: 09/30/2013



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: EQT Production Company on behalf of Marlene McCall;
Donna Vest, and Range Resources-Pine Mountain Inc.

DOCKET NUMBER: VGOB 06-01-17-1568-02

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds
on behalf of Marlene McCall; Donna Vest, and Range
Resources-Pine Mountain Inc.

LEGAL DESCRIPTIONS: *Drilling Unit Number 535686 created by Board
Order Dated March 13, 2006, VGOB 06-01-17-1568 in
Buchanan County, Virginia*

HEARING DATE: July 19, 2011

MISCELLANEOUS PETITION

1. Party: Applicant herein is Marlene McCall, (hereinafter "Plaintiff), whose address is: 5310 Canova Ct., Kingsport, TN 37664, Donna Vest, (hereinafter "Plaintiff), whose address is 4062 Blandfield Dr, Vinton, VA 24179; and Range Resources-Pine Mountain Inc. , (hereinafter "Plaintiffs), whose address is P.O. Box 2136, Abingdon, VA 24212.
2. Facts:
 - a. Equitable was designated as the Operator and Applicants interests were Pooled in the 535686 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on March 13, 2006, pursuant to Docket No. VGOB 06/01/17-1568 and recorded in the Circuit Court Clerk's Office Buchanan County, Virginia on August 16, 2006, Instrument Number 060002684 (hereinafter "Order").
 - b. The Order and Supplemental Order required the Escrow Agent named and appointed therein to establish an interest-bearing escrow account for funds pertaining to the above-referenced Unit and subject to escrow pursuant to the terms of the Order.
 - c. The Order and Supplemental Order further required the Operator to deposit bonus and royalty payments with the Escrow agent which could not be made

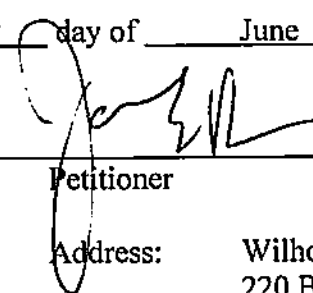
because the person(s) entitled hereto could not be made certain due to conflicting claims of ownership.

- d. Range Resources-Pine Mountain, Inc. was a conflicting claimant with the above-listed Plaintiffs with regard to Tract 3 as created by Board Order as VGOB 06/01/17-1568 is the applicable Tract.
- e. To resolve this conflict, a Letter dated April 18, 2011, signed by Phil Horn, Land Manager of Range Resources-Pine Mountain, Inc. is attached hereto and incorporated herein as Exhibit "A".
- f. The amounts deposited with the Escrow Agent regarding the Unit need to be determined and distributed accordingly.
- g. Any escrow amount, not yet deposited into the escrow account, held by Operator should also be determined, and distributed to Applicants/Plaintiffs herein, accordingly.
- h. Applicants/Plaintiffs herein do hereby request that the Board enter amended supplemental order for the Unit directing the Escrow Agent and the Operator to disburse to the aforesaid Plaintiff the funds attributable to the previous conflicting claim with Pine Mountain, held in escrow for the VGOB number as listed above.
 1. The Applicants certify that the matters set forth in the application, to the best of their knowledge, information, and belief, are true and correct and that the form and content of the Application and conform to the requirements of relevant Board regulations and orders.
 2. Legal Authority: Va Code Ann. §45.1-361.1 et seq., 4 VAC 25-160, and such other regulations and Board orders promulgated pursuant to law.
 3. Relief Sought: Applicants request that the Board issue amended supplement order amending all prior orders affecting the Unit which amended supplement order will provide as follows:
 - a. Determining the amount of funds attributable to the Applicants/Plaintiffs herein.
 - b. Directing the Escrow Agent to determine the amount of funds attributable to Applicants/Plaintiffs herein, provide an accounting hereof, and disburse the funds on deposit with the Escrow Agent, including any applicable interest, pertaining to the interest in the Unit shown above for distribution.
 - c. Directing the Operator to determine the amount of funds attributable to the Applicants/Plaintiffs herein, provide an accounting thereof, and disburse the units in its hands, if any, subject to escrow but not then on deposit with the Escrow Agent, including any applicable interest, at the time of the

Supplemental Order requested therein is executed, attributable to the Applicants/Plaintiffs herein for distribution.

- d. Directing the Operator to disburse the funds, including any applicable interest, and provide an accounting thereof, which it may receive after the date of the execution of the amended supplemental order requested in the Application, if any, attributable to the Applicants/Plaintiff herein, and to discontinue the payment of such funds into Escrow.
- e. Granting such other relief as is merited by the evidence and is just and equitable whether or not such relief has been specifically requested herein.

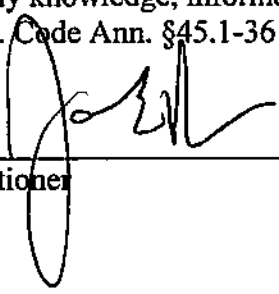
Dated this 17th day of June, 2011.

By:  _____
Petitioner

Address: Wilhoit & Kaiser
220 Broad St, Ste. 301
Kingsport, TN 37660

CERTIFICATE

The foregoing application to the best of my knowledge, information and belief is true and correct. Notice was given pursuant to Va. Code Ann. §45.1-361.19.



Petitioner

VGOB 06/01/17-1568-02
VC-535686

Total
Unit
Acres
58.77
% by Tract
100%

Total Unit Acreage (Exhibit B)		
Tract 1	17.07	29.05%
Tract 2	37.41	63.65%
Tract 3a	2.145	3.65%
Tract 3b	2.145	3.65%

Escrowed Acreage (Exhibit E)		% of Escrow Fund	
Total for Tracts/Acres Escrowed		21.36	100.00%
Tract 1	Escrowed	17.07	79.9157%
Tract 2	Escrowed (disbursed in -01)		
Tract 3a	Escrowed	2.145	10.0421%
Tract 3b	Escrowed	2.145	10.0421%

\$60,309.14

1/10/24

Item	Tract	Disbursement Table	Frac Interest	Acreage Interest Disbursed	Split Agreement	Escrowed Acres Total	% of Escrowed Funds	Disbursement \$
						21.36		
			2.145					
1	3a	Donna Vest	1	2.145	75%	1.60875	7.5316%	\$4,542.24
2	3a	Range Resources-Pine Mountain, Inc		2.145	25%	0.53825	2.5105%	\$1,514.08
3	3b	Marlene McCall	1	2.145	75%	1.60875	7.5316%	\$4,542.24
4	3b	Range Resources-Pine Mountain, Inc		2.145	25%	0.53825	2.5105%	\$1,514.08

9

**TOTAL UNIT AREA
= 58.77 ACRES**



CCC
COORDINATES OF
WELL VC-535688
N 28,710.23
E 58,467.43

FINAL PLAT

The undersigned hereby certifies
that the final location is within ten
(10') feet of the location shown on
the well plat dated 12-05-05.

LAT. & LONG.
(NAD 27 DECIMAL DEGREES)
OF WELL VC-535688
37.178800
82.178550

NOTE:

PROPERTY INFORMATION PROVIDED BY EQUITABLE
PRODUCTION COMPANY.

ELEVATIONS WERE DETERMINED BY GPS & TRIGONOMETRIC
METHODS BASED ON BENCH MARK P-424.

WELL LOCATION PLAT

COMPANY EQUITABLE PRODUCTION CO. WELL NAME OR NUMBER VC-535688
TRACT NO. TZ-42 QUADRANGLE Prater
DISTRICT Prater
WELL COORDINATES (VIRGINIA STATE PLANE 27) N 328,705.10 E 928,271.34
ELEVATION 1936.50 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.
COUNTY Buchanan SCALE: 1" = 400' DATE 11-7-06
THIS PLAT IS A NEW PLAT ; AN UPDATED PLAT ; OR A FINAL LOCATION PLAT X

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000,
LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

Form 000-GO-1
Rev. 1-88
880.35

Philip M. Seals

LICENSED LAND SURVEYOR

(AFFIX SEAL)

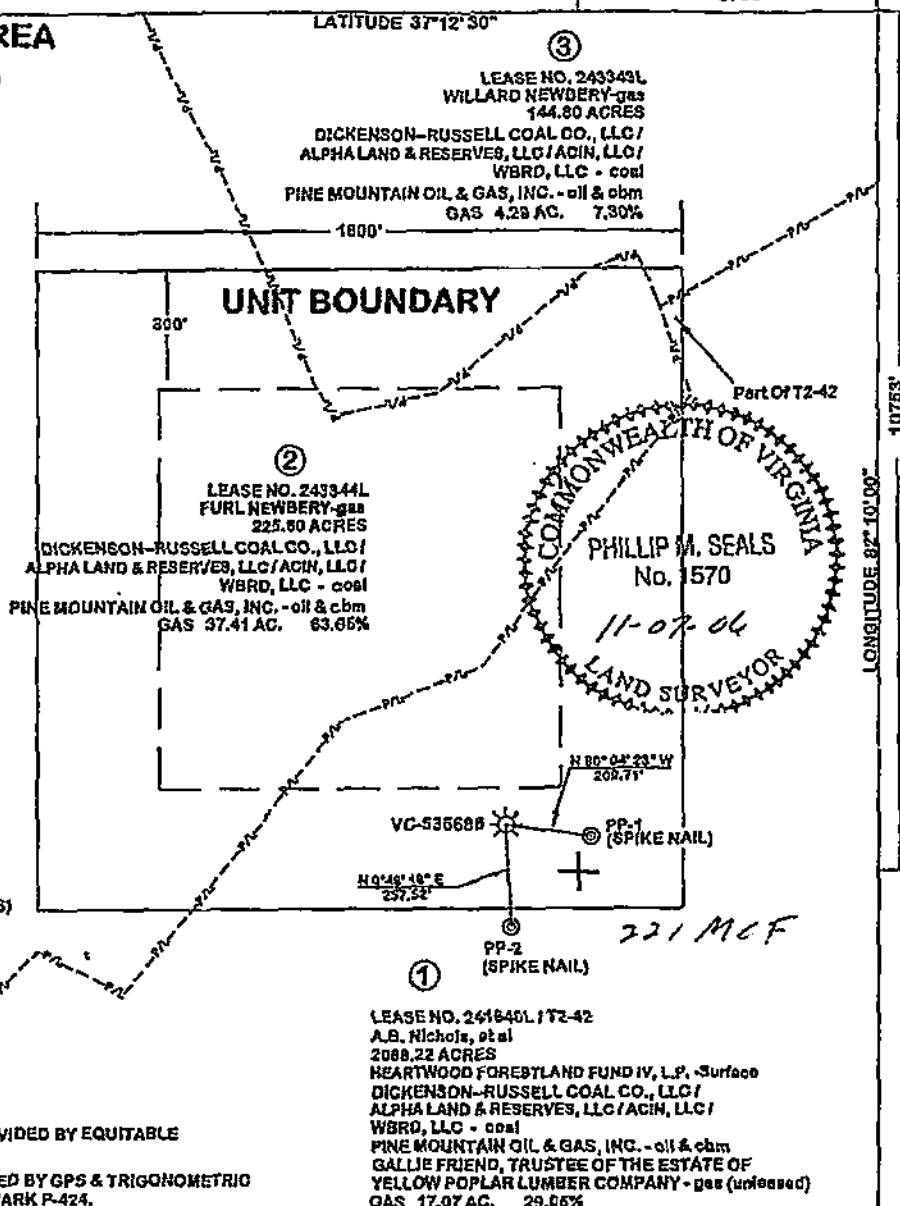


EXHIBIT "B"
VC-535686
 REVISED 06/09/2011

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1	Yellow Poplar Lumber Company Unknown	Unleased	29.050000%	17.0700
2	Furl Newberry and Vickie Newberry H/W 11233 N 69th Dr. Peoria, AZ 85345	Leased-EPC 243344L	63.650000%	37.4100
3	Dona Vest, single 4062 Blandfield Drive Vinton, VA 24179	Leased-EPC 243343L	3.650000%	2.1450
	Marlene McCall, single 5310 Canova Court Kingsport, TN 37664	Leased-EPC 243343L	3.650000%	2.1450
	By Will Of Willard Newberry of record in Buchanan County Instrument 110000005			
	TOTAL GAS ESTATE		96.350000%	56.6250
	Percentage of Unit Leased		67.300000%	
	Percentage of Unit Unleased		29.050000%	
	Acreage in Unit Leased			39.5550
	Acreage in Unit Unleased			17.0700
<u>Coal Estate Only</u>				
1	Range Resources-Pine Mountain, Inc Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241640L	29.050000%	17.0700
2	Range Resources-Pine Mountain, Inc Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241640L	63.650000%	37.4100
3	Range Resources-Pine Mountain, Inc Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241640L	7.300000%	4.2900
	TOTAL COAL ESTATE		100.000000%	58.7700
	Percentage of Unit Leased		100.000000%	
	Percentage of Unit Unleased		0.000000%	
	Acreage in Unit Leased			58.7700
	Acreage in Unit Unleased			0.0000

11

EXHIBIT "E"**VC-535686**

REVISED 06/09/11

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1	Yellow Poplar Lumber Company Unknown	Unleased	29.050000%	17.0700
	TOTAL GAS ESTATE		29.050000%	17.0700
<u>Coal Estate Only</u>				
1	Range Resources-Pine Mountain, Inc Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241640L	29.050000%	17.0700
	TOTAL COAL ESTATE		29.050000%	17.0700

EXHIBIT "EE"
VC-535686
REVISED 06/09/11

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
3	Dona Vest, single 4062 Blandfield Drive Vinton, VA 24179	Leased-EPC 243343L	2.737500%	1.6088
	Marlene McCall, single 5310 Canova Court Kingsport, TN 37664	Leased-EPC 243343L	2.737500%	1.6088
	Total Gas Estate		5.475000%	3.2175
<u>COAL ESTATE ONLY</u>				
3	Range Resources-Pine Mountain, Inc Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241640L	1.825000%	1.0725
	TOTAL PURSUANT TO 75%/25% ROYALTY SPLIT AGREEMENTS		7.300000%	4.2900

INSTRUMENT #120001097
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JUNE 4, 2012 AT 02:48PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB